

MOORE
CORPORATION
LIMITED

AR07

ANNUAL
REPORT
1972



CONTENTS

PAGE

DIRECTORS, OFFICERS AND PRINCIPAL OPERATING MANAGEMENT	1
---	---

FINANCIAL HIGHLIGHTS	4
--------------------------------	---

REPORT OF THE DIRECTORS	5-9
-----------------------------------	-----

FINANCIAL STATEMENTS	10-14
--------------------------------	-------

AUDITORS' REPORT	11
----------------------------	----

OPERATING DIVISIONS AND SUBSIDIARIES	15
--	----

TEN-YEAR SUMMARY	16-17
----------------------------	-------

HEAD OFFICE

330 UNIVERSITY AVENUE, TORONTO M5G 1S3

TRANSFER AGENTS

NATIONAL TRUST COMPANY, LIMITED

21 King Street East, Toronto M5C 1B3

1350 Sherbrooke Street West, Montreal 109

510 Burrard Street, Vancouver 1

330 8th Avenue S.W., Calgary T2P 1C3

BANKERS TRUST COMPANY

16 Wall Street, New York, N.Y. 10015



BOARD OF DIRECTORS

IRWIN A. BAILEY Toronto
Senior Vice-President

DAVID W. BARR Toronto *President*

W. HERMAN BROWNE Toronto *Chairman*

J. DOUGLAS GIBSON Toronto
Financial and Economic Consultant

EDWIN H. HEENEY Toronto
*Chairman and Chief Executive Officer,
National Trust Company, Limited*

BERNARD H. PEARCE London, England
Chairman, Lamson Industries Limited

W. HAROLD REA Toronto *Chairman,
Great Canadian Oil Sands Limited*

V. WILLIAM SCULLY Toronto
*Chairman, Executive Committee,
The Steel Company of Canada, Limited*

GRAHAM F. TOWERS Ottawa

HONORARY DIRECTORS

J. STUART FLEMING
Niagara Falls, N.Y.

ROBERT A. LAIDLAW Toronto

W. NORMAN McLEOD Toronto

ALAN H. TEMPLE New York, N.Y.

OFFICERS

Chairman of the Board
W. HERMAN BROWNE

President
DAVID W. BARR

Senior Vice-President
IRWIN A. BAILEY

Vice-President and Secretary
FRANK W. WOODS

Treasurer and Comptroller
JUDSON W. SINCLAIR

MANAGEMENT OF PRINCIPAL OPERATING DIVISIONS AND SUBSIDIARIES

BUSINESS FORMS AND MACHINERY

MOORE BUSINESS FORMS, INC.

EASTERN DIVISION—Niagara Falls, N.Y.
Stanley D. Waltman, Vice-President and General Manager

PACIFIC DIVISION—Oakland, Cal.
Lee C. Rumph, Vice-President and General Manager

CENTRAL DIVISION—Glenview, Ill.
Maurice O. Beverley, Vice-President and General Manager

SOUTHERN DIVISION—Denton, Tex.
Richard W. Hamilton, Vice-President and General Manager

REDIFORM OFFICE PRODUCTS DIVISION
—Paramus, N.J.
Charles S. Roush, General Manager

KIDDER MACHINERY DIVISION—Dover, N.H.
RESEARCH DIVISION—Niagara Falls, N.Y.
Robert H. Downie, Vice-President and General Manager

MARKETING—Niagara Falls, N.Y.
Chester H. Naukam, Director of Marketing

MOORE BUSINESS FORMS—Toronto, Ont.
DIVISION OF MOORE CORPORATION LIMITED
William M. Nichols, Vice-President and General Manager

INTERNATIONAL OPERATIONS—Toronto, Ont.
John M. Kirkpatrick, Manager

MOORE BUSINESS FORMS de MEXICO, S.A. de C.V.
—Tlalnepantla, Mexico
Earl C. Kraft, Vice-President and General Manager

MOORE BUSINESS FORMS de PUERTO RICO, S.A.
—San Juan, Puerto Rico
Wendell C. Crawshaw, Vice-President and General Manager

CUSTOM PACKAGING

F. N. BURT COMPANY, INC.—Buffalo, N.Y.
Ralph W. Seiler, Vice-President and General Manager

DOMINION PAPER BOX COMPANY LIMITED
—Toronto, Ont.
Lorne W. Ballance, Vice-President and General Manager

From Moore: New Products, New Developments, New Ideas

MOORE CARBONLESS PAPER (MCP)

Moore Carbonless Paper (MCP), introduced late in 1972, has provided greatly increased potential in the development of the Corporation's future markets. The use of Moore Carbonless Paper in the manufacture of multiple-part business forms yields clean, sharp, permanent copies.

OPTICAL CHARACTER RECOGNITION (OCR)

Optical Character Recognition (OCR) forms are making an increasingly major contribution to the Moore product line. OCR, through optical scanning, is an important dimension in information processing. Hand-written or printed input data is automatically converted into machine-readable code language for computer processing. Sophisticated optical scanning systems and equipment require business forms designed and manufactured to critical tolerances. Moore expertise in design, artwork, manufacturing and testing of OCR forms guarantees that these rigid specifications will be met.

FORMS HANDLING EQUIPMENT

Moore Forms Handling Equipment, engineered and manufactured for rugged, long, dependable service, sets a high standard of excellence. This complete product line includes detachers, imprinter-detachers, decollators, interstackers, envelope detachers, formaliner devices and register equipment. The most modern imprinter-detacher available, the Model 488 (illustrated below), brings quiet, high-speed, safe, efficient operation to "after-writing" continuous forms handling functions. This machine removes margins, imprints signatures or sales messages, detaches sets at the perforation and stacks forms in exact sequence.



MOOREMAILER CONTINUOUS ENVELOPES

Developed and manufactured by Moore, the Mooremailer is a continuous mailing envelope that can be addressed on a typewriter or over a high-speed printer from a computerized mailing list.

Resulting attractive personalized envelopes achieve three to four times greater response than mass mailings. A few Mooremailer applications include: sales promotions, charitable campaigns, price list mailings and dealer communications.

A further recent innovation is a two-wide Mooremailer (illustrated below) which significantly increases output over the computer printer.



THE DIRECT MAIL PRODUCT

Direct mail advertising, through mass mailings, is a major sales tool of many large enterprises.

Through the development of a unique multi-colour printing capability, Moore is able to offer to the direct mail industry a high-quality promotional vehicle in a continuous form that can be addressed and personalized over a high-speed computer printer. As with Mooremailer continuous envelopes, the personalizing of these attractive mass mailings greatly enhances the response compared with conventional mass mailings.



MOORE TRANSCORDER SYSTEM

The Moore Transcorder System is a new concept in positive data control, designed especially for the health care field. This electronic system controls and transmits patient charges and record data from the point of origin to the patient's account, utilizing plastic embossed and punched plates which are imprinted and read by a terminal unit. The Moore Transcorder maintains the patient's medical records and accounts on a current basis and releases skilled hospital staff for their primary function of nursing the patient back to health.



Financial Highlights

Expressed in United States currency



	1972	1971
SALES	\$499,400,000	\$448,944,000
EARNINGS BEFORE INCOME TAXES	\$ 95,451,000	\$ 83,708,000
Per Dollar of Sales	19.1¢	18.7¢
INCOME TAXES	\$ 49,429,000	\$ 43,886,000
Per Dollar of Sales	9.9¢	9.8¢
NET EARNINGS	\$ 46,022,000	\$ 39,822,000
Per Dollar of Sales	9.2¢	8.9¢
Per Common Share	\$ 1.62	\$ 1.40
DIVIDENDS	\$ 19,199,000	\$ 17,056,000
Per Common Share	67½¢	60¢
EARNINGS RETAINED IN BUSINESS	\$ 26,823,000	\$ 22,766,000
CURRENT ASSETS	\$206,953,000	\$162,056,000
CURRENT LIABILITIES	53,889,000	43,539,000
WORKING CAPITAL	\$153,064,000	\$118,517,000
Ratio of Current Assets to Current Liabilities	3.8 to 1	3.7 to 1
SHAREHOLDERS' EQUITY	\$288,652,000	\$261,569,000
Per Common Share	\$ 10.15	\$ 9.20
Common Shares Outstanding	28,450,637	28,436,797
EXPENDITURE FOR FIXED ASSETS	\$ 15,767,000	\$ 19,764,000

The strong recovery in the economies of Canada and the United States during 1972 created a favourable market for our products. As a result, Moore achieved new high records in both sales and earnings for the fourteenth consecutive year. Records were established in virtually every phase of both domestic and international operations and practically every division contributed to this encouraging growth.

The quarter by quarter comparisons for 1972 depicted steady growth with a strong finish in the last three months. During that period sales of \$133,574,000 were the highest for any quarterly period in our history.

SALES

Total sales volume of \$499,400,000 reached a new high record and was \$50,456,000 or 11.2% above the total sold in 1971. Our unofficial target for 1972 was to sell a total of \$500,000,000 and in the final result we came very close to that figure. The computer industry throughout the world continued to grow at a rapid rate and again computer-related forms products represented the major segment of our increase. There is every indication that computer growth will continue, resulting in a steady increase in the consumption of business forms.

Total sales by product were as follows:

Business forms	\$461,461,000	92.4%
Custom packaging	28,094,000	5.6
Machinery	9,845,000	2.0
	<u>\$499,400,000</u>	<u>100.0%</u>

The geographic distribution of total sales was as follows:

United States	\$431,073,000	86.3%
Canada	51,475,000	10.3
Other countries	16,852,000	3.4
	<u>\$499,400,000</u>	<u>100.0%</u>

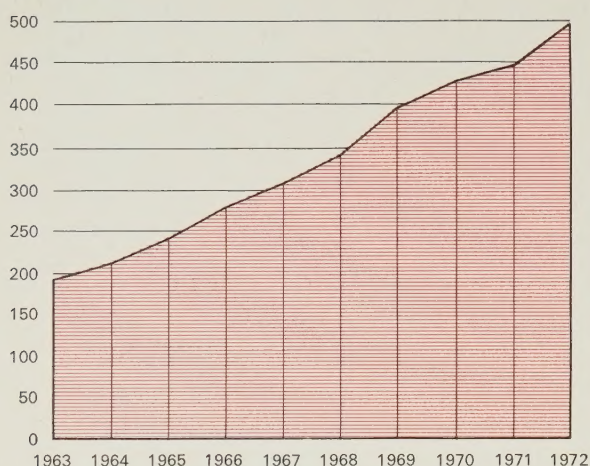
EARNINGS

Net earnings of \$46,022,000 were 15.6% higher than the corresponding figure for 1971. This represented a profit of 9.2¢ on the sales dollar in 1972 compared to 8.9¢ in 1971. The improved margin results from a combination of increased efficiency and the reflection of somewhat lower taxes primarily due to the reinstatement of the investment tax credit in the United States. Earnings before taxes increased by 14.0%.

Earnings per share advanced to \$1.62 in 1972 from \$1.40 in 1971.

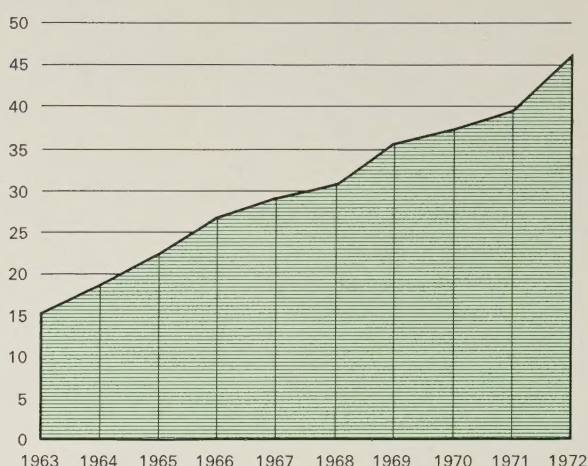
Sales

millions of dollars



Net Earnings

millions of dollars



DIVIDENDS AND RETAINED EARNINGS

Four quarterly dividends, totalling 67½¢ per share for the year, were declared on the outstanding Common shares. These consisted of one quarterly dividend of 15¢ and three of 17½¢. Dividends for the year amounted to \$19,199,000, compared with \$17,056,000 in 1971. The balance of net earnings, \$26,823,000, was retained in the business.

BALANCE SHEET

The balance sheet continues to reflect the sound financial condition of the Corporation. Further details are provided in the Notes to Consolidated Financial Statements on page 14.

Working capital at the end of the year increased to \$153,064,000 from \$118,517,000 a year earlier. Current assets were 3.8 times current liabilities compared with 3.7 times at the end of 1971. The improvement in working capital reflects a strong cash flow throughout the year, including the taking up of the balance of funds under the terms of the long-term debt financing arranged in 1971. Funds invested in short-term securities at the year end will be used to finance continued growth throughout the Corporation. The Consolidated Statement of Source and Application of Funds, presented on page 13, provides further details of the various items which account for the increase in working capital.

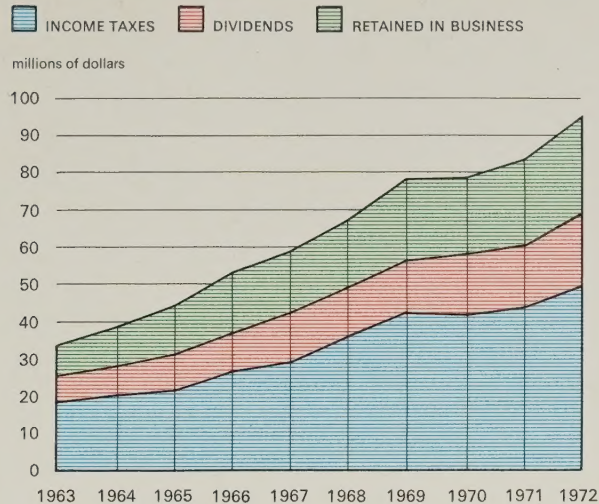
CAPITAL EXPENDITURES

Total expenditure in 1972 for land, buildings, machinery and equipment was \$15,767,000, of which \$13,227,000 was for machinery and equipment.

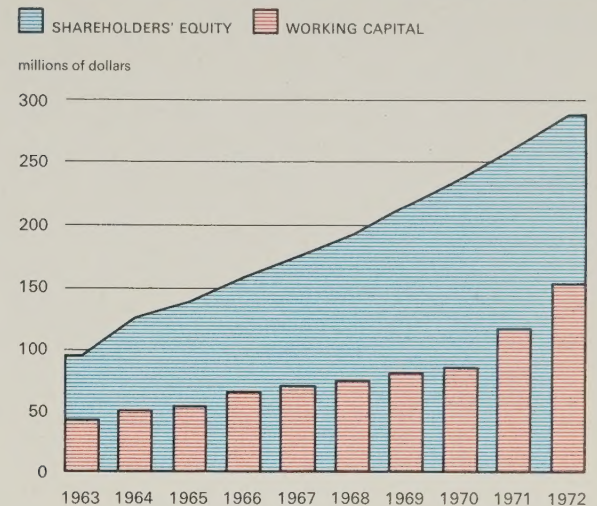
During the year, construction began on two new business forms plants, one in Jerome, Idaho and the other in São Paulo, Brazil. Additions were completed at existing plants in Honesdale, Pennsylvania and in Cowansville, Quebec. Other additions are under construction at the Rutland, Vermont and Fremont, Ohio plants.

At the end of the year the Corporation was operating fifty-four manufacturing plants in Canada, the United States, Mexico, the Caribbean, and Central and South America. Forty-seven of these were manufacturing business forms, five, machinery and equipment and two, custom packaging products.

Distribution of Earnings



Shareholders' Equity and Working Capital



INVESTMENTS

During the year Formulários y Procedimientos Moore, S.A. in Venezuela increased its issued share capital in order to finance operating requirements. As a result, an additional investment of \$132,000 was required to maintain the Corporation's equity interest at 49%. There were no other changes during the year in Investment in Other Corporations. See Note 4 on page 14 for the details of these investments, including the market value of the Corporation's holding of shares in Lamson Industries Limited.

CAPITAL STOCK AND SHAREHOLDERS

Note 7 of the Notes to Consolidated Financial Statements shows that 13,840 Common shares were issued to executives during the year under the stock option plan previously approved by the shareholders. There were no other changes in the Common share account.

At the end of 1972 there were 21,537 Moore shareholders (compared with 22,326 a year ago) including 8,475 institutional holders. The latter comprise mutual funds, other investment companies, insurance companies, banks, estates and pension trusts. The wide geographical distribution of the Corporation's shares has been maintained.

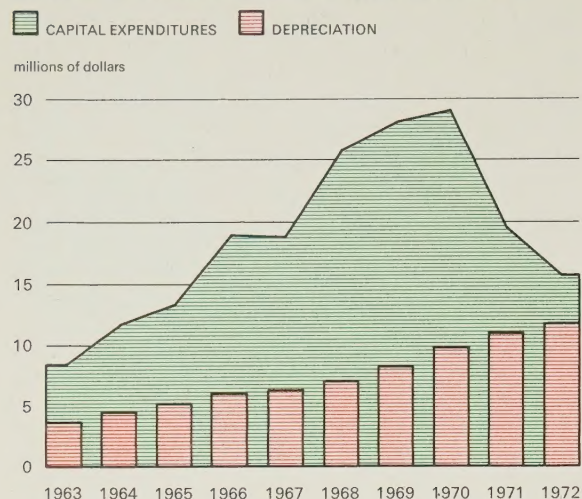
MOORE EMPLOYEES

In 1972, as in past years, the Corporation's success and continued leadership in the business forms industry can be attributed primarily to the outstanding contribution of Moore employees. At the end of the year, Moore employed 16,431 persons of whom 11,988 were men and 4,443 women. The collective efforts and skills of this dedicated group of people are matters of pride to your directors and it is with pleasure that this year we pay special tribute to our employees elsewhere in this report.

RESEARCH—MACHINERY AND MARKETING

A major realignment of responsibilities of our staff support groups was achieved in 1972. The most significant change was the formation of a Corporate Marketing Department to enable us to be even more responsive to the opportunities created by a rapidly evolving market along with the required changes in marketing techniques. The consolidation of the management of our Research and Kidder Machinery Divisions took place at the same time, with the basic objective of designing and building more efficient manufacturing equipment which, by being unique to Moore, contributes greatly to our success.

Capital Expenditures and Depreciation



Distribution of 1972 Revenue

100.0%	Sales and investment and other income	\$502,316,000
	<i>Used as follows:</i>	
33.8	Wages, salaries and employee benefits	\$169,787,000
44.1	Materials, supplies and services	221,330,000
2.4	Depreciation	11,804,000
10.6	Taxes—income, property and other	53,373,000
3.8	Dividends	19,199,000
5.3	Retained in business	26,823,000

Several important projects previously reported reached commercial production levels in 1972. These included Moore Carbonless Paper and Direct Mail products. Both have received excellent customer acceptance and with their superior qualities will contribute substantially to the future growth of the Corporation.

In the business equipment area a new line of more sophisticated forms handling devices was introduced. Several unusual special units were engineered for customers on a contract basis to satisfy large processing requirements.

In 1973 we will be using, in the manufacture of business forms, the first group of an important new family of presses that will more efficiently produce improved forms for computers. Other major Research projects, being pursued diligently, should make an important contribution to our future success.

Moore has continuing programmes to monitor change in the office equipment and service fields as well as in specialized packaging and in all aspects of technological changes in the graphic arts with the objective of capitalizing on all profitable opportunities.

OUTLOOK

There is almost unanimous agreement among economists that 1973 should be an excellent year for general business in both Canada and the United States. The prediction is for a strong increase in gross national product in 1973 comparable to that experienced in 1972.

In view of these forecasts Moore is optimistic regarding the outlook for the Corporation for 1973. If the rate of growth in general business continues as anticipated it should be reflected in another record year for Moore.

DIRECTORS AND EXECUTIVES

During the year, Edwin H. Heeney was elected a director, filling the vacancy on the board due to the retirement of Alan H. Temple. Mr. Heeney is chairman and chief executive officer of National Trust Company, Limited.

Early in 1972 each of the following esteemed former directors of the Corporation, namely, J. Stuart Fleming, Robert A. Laidlaw, W. Norman McLeod and Alan H. Temple, was appointed an honorary director of the Corporation. Graham F. Towers, a director since 1956, will not stand for re-election at the annual meeting in March. During his years of service as a director Mr. Towers made a most valuable contribution to the Corporation which is acknowledged with sincere gratitude.



Effective January 1, 1973, Stanley D. Waltman, who is a vice-president of Moore Business Forms, Inc. and formerly general manager of that corporation's Central Division, was appointed general manager of its Eastern Division. He succeeds Norman J. Creighton who retired on December 31, 1972 after forty-three years of distinguished service with the Corporation.

Maurice O. Beverley, also a vice-president of Moore Business Forms, Inc. and formerly general manager of the Kidder Machinery Division, was appointed general manager of the Central Division succeeding Mr. Waltman, commencing October 1, 1972. Robert H. Downie, vice-president of Moore Business Forms, Inc. and director of research was appointed general manager of the Research and of the Kidder Machinery Divisions, as of August 1, 1972.

Chester H. Naukam, formerly general sales manager of the Central Division, was appointed director of marketing of Moore Business Forms, Inc. as of July 1, 1972.

Effective the beginning of 1973, the two Canadian divisions of Moore Business Forms were consolidated in line with a reorganization of its management structure. William M. Nichols, formerly general sales manager of the Eastern Canada division was appointed vice-president and general manager of the newly-consolidated Canadian operation. John C. Kinnear has retired as vice-president and general manager of the Eastern Canada division after forty-three years of outstanding service with Moore.

Commencing January 1, 1973, Ralph W. Seiler, formerly comptroller of F. N. Burt Company, Inc., was elected vice-president of that company and appointed its general manager. He succeeds Orin W. Honsberger who retired on December 31, 1972 after more than thirty-six years of valued service.

* * *

The confidence of our customers, the dedicated support of our employees, and the co-operation of our suppliers were again major factors in the success achieved in 1972. The directors are grateful for this support and co-operation and for the continuing confidence of the shareholders.

On behalf of the Board,

W. H. BROWNE
Chairman

D. W. BARR
President

February 22, 1973

Moore Corporation Limited

and subsidiary corporations

Consolidated Balance Sheet

Expressed in United States currency

ASSETS

AS AT DECEMBER 31

1972 1971

CURRENT ASSETS

Cash	\$ 8,555,000	\$ 9,437,000
Short-term securities, at cost which is approximate market value	43,538,000	11,950,000
Accounts receivable	88,417,000	77,143,000
Inventories (Note 2)	64,662,000	62,086,000
Prepaid expenses	1,781,000	1,440,000
TOTAL CURRENT ASSETS	206,953,000	162,056,000

FIXED ASSETS, at cost

Land	3,848,000	3,751,000
Buildings	58,659,000	55,918,000
Machinery and equipment	181,091,000	170,966,000
	243,598,000	230,635,000
<i>Less—Accumulated depreciation (Note 3)</i>	<i>90,785,000</i>	<i>80,960,000</i>
	152,813,000	149,675,000

INVESTMENT IN OTHER CORPORATIONS, at cost (Note 4)

24,763,000 24,631,000

OTHER ASSETS	5,029,000	5,596,000
	\$389,558,000	\$341,958,000



LIABILITIES

	AS AT DECEMBER 31	
	1972	1971
CURRENT LIABILITIES		
Bank loans	\$ 875,000	\$ 879,000
Accounts payable and accruals	33,942,000	28,722,000
Dividends payable	4,979,000	4,265,000
Accrued income taxes	14,093,000	9,673,000
TOTAL CURRENT LIABILITIES	53,889,000	43,539,000
LONG-TERM DEBT (Note 5)	24,452,000	17,503,000
DEFERRED INCOME TAXES AND LIABILITIES (Note 6)	21,169,000	18,080,000
EQUITY OF MINORITY SHAREHOLDERS IN SUBSIDIARY CORPORATIONS	1,396,000	1,267,000
	<u>100,906,000</u>	<u>80,389,000</u>
SHAREHOLDERS' EQUITY		
COMMON SHARES (Note 7)		
Authorized—31,779,264 shares without par value		
Issued and outstanding—28,450,637 shares (28,436,797 shares in 1971)	30,965,000	30,705,000
RETAINED EARNINGS	257,687,000	230,864,000
	<u>288,652,000</u>	<u>261,569,000</u>
Approved on behalf of the Board :		
<i>W. H. McNamee</i> Director		
<i>Lee Bann</i> Director		
	<u>\$389,558,000</u>	<u>\$341,958,000</u>

AUDITORS' REPORT

To the Shareholders of
MOORE CORPORATION LIMITED:

We have examined the consolidated balance sheet of Moore Corporation Limited and its subsidiary corporations as at December 31, 1972 and the consolidated statements of earnings, retained earnings and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these consolidated financial statements present fairly the financial position of the corporations as at December 31, 1972 and the results of their operations and the source and application of their funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Price Waterhouse Co.
Chartered Accountants
Toronto, February 9, 1973

Moore Corporation Limited

and subsidiary corporations

Consolidated Statement of Earnings

Expressed in United States currency

	FOR THE YEAR ENDED DECEMBER 31	
	1972	1971
Sales	\$499,400,000	\$448,944,000
Cost of sales, selling and administrative expenses	395,061,000	355,768,000
Depreciation (Note 3)	11,804,000	10,996,000
	<u>406,865,000</u>	<u>366,764,000</u>
Income from operations	92,535,000	82,180,000
Investment and other income	2,916,000	1,528,000
Earnings before income taxes	95,451,000	83,708,000
Income taxes	49,429,000	43,886,000
NET EARNINGS	<u>\$ 46,022,000</u>	<u>\$ 39,822,000</u>
NET EARNINGS PER COMMON SHARE	<u>\$ 1.62</u>	<u>\$ 1.40</u>

Consolidated Statement of Retained Earnings

Expressed in United States currency

	FOR THE YEAR ENDED DECEMBER 31	
	1972	1971
Balance at beginning of year	\$230,864,000	\$208,098,000
Net earnings	46,022,000	39,822,000
	<u>276,886,000</u>	<u>247,920,000</u>
Dividends—67½¢ per Common share (60¢ in 1971)	19,199,000	17,056,000
BALANCE AT END OF YEAR	<u>\$257,687,000</u>	<u>\$230,864,000</u>



Consolidated Statement of Source and Application of Funds

Expressed in United States currency

FOR THE YEAR ENDED
DECEMBER 31

	1972	1971
SOURCE OF FUNDS		
Net earnings	\$ 46,022,000	\$ 39,822,000
Items not requiring the current outlay of funds, principally depreciation and deferred income taxes	15,748,000	15,131,000
Funds from operations	61,770,000	54,953,000
Long-term debt	7,180,000	13,106,000
Sale of fixed assets	824,000	509,000
Common shares issued	260,000	575,000
Other sources	356,000	949,000
	<u>70,390,000</u>	<u>70,092,000</u>
APPLICATION OF FUNDS		
Expenditure for fixed assets	15,767,000	19,764,000
Dividends	19,199,000	17,056,000
Investment in other corporations	132,000	315,000
Deferred charges	472,000	660,000
Other applications	273,000	1,240,000
	<u>35,843,000</u>	<u>39,035,000</u>
INCREASE IN WORKING CAPITAL	34,547,000	31,057,000
WORKING CAPITAL AT BEGINNING OF YEAR	<u>118,517,000</u>	<u>87,460,000</u>
WORKING CAPITAL AT END OF YEAR	<u>\$153,064,000</u>	<u>\$118,517,000</u>

NOTE 1 PRINCIPLES OF CONSOLIDATION

Moore Corporation Limited is incorporated under the laws of the Province of Ontario, Canada.

The accounts of all subsidiary corporations are reflected in the consolidated financial statements. Net earnings of subsidiary corporations for the years 1972 and 1971 attributable to minority shareholders are not significant and are not disclosed separately in the Consolidated Statement of Earnings.

The consolidated financial statements are expressed in United States currency because the greater part of the assets, liabilities and earnings are located or originate in the United States. Canadian and other currencies have been translated into United States currency on the following bases:

Current assets, current liabilities, long-term receivables and long-term liabilities, at the year-end rates of exchange;

All other assets, liabilities, accumulated depreciation and related charges against earnings, and share capital, at historical rates of exchange;

Income and expenses, other than depreciation, at average exchange rates during the year.

NOTE 2 INVENTORIES

Inventories of raw materials and work in process are valued at the lower of cost and replacement cost and inventories of finished goods at the lower of cost and net realizable value, with cost determined on the first-in, first-out basis.

NOTE 3 DEPRECIATION

Depreciation has been provided on a basis consistent with that of the previous year using the straight-line method, at rates based on the estimated useful lives of the depreciable assets.

NOTE 4 INVESTMENT IN OTHER CORPORATIONS, AT COST

	1972	1971
Lamson Industries Limited		
20% owned (Value based on market quotation—\$23,170,000; 1971—\$24,575,000) - - -	\$22,549,000	\$22,549,000
Toppan Moore Business Forms Co., Ltd. 45% owned - - -	1,787,000	1,787,000
Formulários y Procedimientos Moore, S.A. 49% owned - - -	386,000	254,000
Moore Business Forms de Centro America, S.A. 49% owned - - -	41,000	41,000
	<u>\$24,763,000</u>	<u>\$24,631,000</u>

During 1972, the Corporation subscribed for additional shares of Formulários y Procedimientos Moore, S.A. at a cost of \$132,000, thereby maintaining its equity interest at 49%.

Income from investments in other corporations is included in earnings only to the extent of dividends received.

NOTE 5 LONG-TERM DEBT

	1972	1971
Moore Business Forms, Inc.		
7.90% Senior Notes due October 1, 1996 - - - -	\$20,000,000	\$13,000,000
6.75% Promissory Note due December 31, 1986 - - - -	3,938,000	4,122,000
Other - - - - -	514,000	381,000
	<u>\$24,452,000</u>	<u>\$17,503,000</u>

The Promissory Note is secured by mortgages on certain properties. Payments on long-term debt of \$281,000 (1971—\$218,000) due within one year are included in accounts payable and accruals. No repayments of principal are required on the Senior Notes until 1981.

NOTE 6 DEFERRED INCOME TAXES

Deferred income taxes amount to \$20,497,000 at December 31, 1972 compared with \$17,286,000 at December 31, 1971.

NOTE 7 COMMON SHARE OPTIONS

On June 22, 1972, under the terms of the Executive Stock Option Plan, options were granted to certain employees to purchase 12,500 Common shares of the Corporation.

During 1972, 13,840 Common shares were purchased by holders of options for a cash consideration of \$260,000. Options expire on various dates not more than ten years from the dates granted, and the option price per Common share is equivalent to the market value on the date of the grant. Details of the options outstanding at December 31, 1972 are as follows:

Year granted	Price per Common share in Canadian currency	Number of Common shares
1966	\$20.47	7,260
1969	30.12	26,650
1972	47.69	12,500

The potential dilution effect of the outstanding options on net earnings per Common share is not material.

NOTE 8 RETIREMENT PLANS

In 1972 retirement plans were revised along with the actuarial methods and assumptions used to evaluate these plans. All vested benefits under the amended plans are fully funded. Pursuant to the recommendations of independent consulting actuarial firms, an actuarial obligation of \$20,000,000 has been calculated with respect to that portion of the benefits expected to accrue and vest in the future which are related to prior service. This amount is being amortized and funded over a period of thirty years commencing in 1972 with respect to \$18,000,000 under the United States plans and seventeen years commencing in 1973 with respect to \$2,000,000 under the Canadian plan.

NOTE 9 CONSOLIDATED STATEMENT OF EARNINGS

The Consolidated Statement of Earnings includes the following:

	1972	1971
Remuneration paid to directors and senior officers - - - - -	\$ 482,000	\$ 433,000
Interest on long-term debt - - -	1,794,000	503,000
Amortization of deferred development costs - - - - -	476,000	339,000
Deferred income taxes - - - -	3,211,000	3,013,000
Investment tax credits - - - -	782,000	283,000



Operating Divisions and Subsidiaries

Consolidated in financial statements

UNITED STATES AND CANADA

MOORE BUSINESS FORMS, INC.

EASTERN DIVISION—Niagara Falls, N.Y.

Buckhannon, W.Va., Elmira, N.Y., Fredericksburg, Va., Honesdale, Pa.,
Lewisburg, Pa., Manchester, N.H., Niagara Falls, N.Y., Quakertown, Pa.,
Rutland, Vt., Snow Hill, Md., Thurmont, Md.

CENTRAL DIVISION—Glenview, Ill.

Angola, Ind., Charleston, Ill., Fremont, Ohio, Green Bay, Wis., Iowa City,
Iowa, Monroe, Wis.

SOUTHERN DIVISION—Denton, Tex.

Albany, Ga., Bryan, Tex., Denton, Tex., Greenwood, S.C., Heflin, Ala.,
Marion, Ky., Nacogdoches, Tex., Stillwater, Okla.

PACIFIC DIVISION—Oakland, Cal.

Emeryville, Cal., Fullerton, Cal., Jerome, Idaho, Logan, Utah, Los Angeles,
Cal., Modesto, Cal., Salem, Ore., Sunnyvale, Cal., Visalia, Cal.

REDIFORM OFFICE PRODUCTS DIVISION—Paramus, N.J.

KIDDER MACHINERY DIVISION—Dover, N.H.

Agawam, Mass., Dover, N.H., Newport, N.H., Westbrook, Me.

RESEARCH DIVISION—Niagara Falls, N.Y.

MARKETING—Niagara Falls, N.Y.

MOORE BUSINESS FORMS—Toronto, Ont.

DIVISION OF MOORE CORPORATION LIMITED

Beauceville, Que., Cowansville, Que., Fergus, Ont., Kemptville, Ont.,
Toronto, Ont., Trenton, Ont., Vancouver, B.C., Winnipeg, Man.

F. N. BURT COMPANY, INC.—Buffalo, N.Y.

DOMINION PAPER BOX COMPANY LIMITED—Toronto, Ont.

INTERNATIONAL OPERATIONS

MOORE BUSINESS FORMS de MEXICO, S.A. de C.V.

—Tlalnepantla, Mexico

MOORE BUSINESS FORMS de PUERTO RICO, S.A.

—San Juan, Puerto Rico

FORMULÁRIOS NACIONAL S.A.—São Paulo, Brazil

LAMSON PARAGON S.A. IND. Y COM.

—Buenos Aires, Argentina

MOORE BUSINESS FORMS CARIBBEAN LIMITED

—Kingston, Jamaica

FORMULÁRIOS COMERCIALES de CENTRO AMERICA, LTDA.

—Guatemala City, Guatemala

Other Corporations

Investments, not consolidated in financial statements

LAMSON INDUSTRIES LIMITED—London, England

TOPPAN MOORE BUSINESS FORMS CO., LTD.—Tokyo, Japan

MOORE BUSINESS FORMS de CENTRO AMERICA, S.A.

—San Salvador, El Salvador

FORMULÁRIOS Y PROCEDIMIENTOS MOORE, S.A.

—Maracay, Venezuela

Moore Corporation Limited

Ten-Year Summary

Expressed in thousands of dollars—footnote (i)

INCOME STATISTICS	1972	1971	1970	1969	1968	1967
Sales	\$499,400	\$448,944	\$431,841	\$398,836	\$341,275	\$306,665
Earnings before income taxes	95,451	83,708	79,563	78,151	67,398	58,998
Per dollar of sales	19.1¢	18.7¢	18.4¢	19.6¢	19.7¢	19.2¢
Income taxes	49,429	43,886	42,032	42,439	36,524	29,639
Per dollar of sales	9.9¢	9.8¢	9.7¢	10.6¢	10.7¢	9.6¢
Net earnings	46,022	39,822	37,531	35,712	30,874	29,359
Per dollar of sales	9.2¢	8.9¢	8.7¢	9.0¢	9.0¢	9.6¢
Per Common share—footnote (ii)	\$ 1.62	\$ 1.40	\$ 1.32	\$ 1.26	\$ 1.09	\$ 1.04
Dividends	19,199	17,056	16,326	13,819	12,747	12,204
Per Common share—footnote (ii)	67.5¢	60.0¢	57.5¢	48.8¢	45.0¢	43.1¢
Earnings retained in business	26,823	22,766	21,205	21,893	18,127	17,155

BALANCE SHEET AND OTHER STATISTICS	1972	1971	1970	1969	1968	1967
Current assets	\$206,953	\$162,056	\$150,839	\$138,270	\$120,984	\$108,547
Current liabilities	53,889	43,539	63,379	56,056	45,123	34,835
Working capital	153,064	118,517	87,460	82,214	75,861	73,712
Ratio of current assets to current liabilities	3.8 to 1	3.7 to 1	2.4 to 1	2.5 to 1	2.7 to 1	3.1 to 1
Fixed assets (net)	152,813	149,675	142,146	123,923	104,201	85,881
Common shareholders' equity	288,652	261,569	238,228	216,525	193,222	175,048
Per Common share—footnote (ii)	\$ 10.15	\$ 9.20	\$ 8.39	\$ 7.63	\$ 6.82	\$ 6.18
Number of shareholders	21,537	22,326	23,636	23,225	21,811	18,923
Number of employees	16,431	15,783	16,630	16,717	14,899	14,151



1966	1965	1964	1963
\$278,734	\$241,313	\$214,629	\$190,187
53,875 19.3¢	44,692 18.5¢	39,200 18.3¢	34,019 17.9¢
27,015 9.7¢	22,313 9.2¢	20,367 9.5¢	18,735 9.9¢
26,860 9.6¢ 95¢	22,379 9.3¢ 80¢	18,833 8.8¢ 67¢	15,284 8.0¢ 57¢
10,331 36.6¢	9,247 32.8¢	8,092 28.8¢	7,033 26.3¢
16,529	13,132	10,741	8,251

1966	1965	1964	1963
\$ 94,497	\$ 81,300	\$ 69,125	\$ 61,265
28,818	25,375	18,279	15,691
65,679	55,925	50,846	45,574
3.3 to 1	3.2 to 1	3.8 to 1	3.9 to 1
74,590	61,810	53,860	42,737
157,464 \$ 5.57	140,355 \$ 4.98	127,064 \$ 4.51	97,099 \$ 3.62
13,222	12,471	11,812	11,404
13,448	12,410	11,528	10,050

(i)

Commencing with the year 1964, the statistics are expressed in United States currency and reflect the consolidation of Kidder Press Company, Inc. and Stacy Machine Company, Inc. In 1970, these corporations were reorganized as the Kidder Machinery Division of Moore Business Forms, Inc. In 1963, the income and balance sheet statistics are expressed in a combination of United States currency and Canadian currency at par of exchange.

(ii)

Net earnings per Common share, dividends per Common share and shareholders' equity per Common share in the years 1963 to 1966 inclusive have been adjusted to reflect the four for one subdivision of the Common shares in 1967.

Human Resources

The success of any enterprise must necessarily be related to the quality of its human resources. Moore is no different and its position of leadership is directly attributable to its outstanding personnel.

Moore is pleased to take this opportunity to pay tribute to this dedicated group of people and to depict a few of them performing their day-to-day operations.

The sales force, the production personnel, Moore Research and Marketing and the financial and industrial relations departments have all played a significant role in achieving the dramatic growth

experienced by the Corporation over the years.

The marketing and sales force is truly composed of specialists, trained to provide Moore customers with the best in systems and forms design and custom packaging.

The production personnel, through the use of the most modern processes and equipment available, are constantly improving the operating efficiency of the Corporation's manufacturing facilities.

Complementing both the marketing function and the production group is Moore Research. Throughout the years, Moore Research has been responsible for many developments and improvements in the application

and construction of business forms and forms handling equipment, providing Moore with the most complete product line in the industry. Through use of custom equipment designed by Research personnel and constructed by the Kidder Machinery Division, the production department has taken full advantage of the economies of specialization.

One of the Corporation's fortes has been its financial stability which has enabled Moore to benefit from the many growth opportunities presented over the years. Credit for this financial strength must go to the administrative and management personnel who have established the sound fiscal programmes followed within the Corporation.



In order to attract and retain competent employees, the Corporation's industrial relations personnel administer a co-ordinated compensation and benefits programme which is constantly being reviewed and improved to meet the changing needs of the employees and their families. By policy, Moore is committed to a programme of nondiscrimination in employment by which job opportunities are provided to all qualified applicants regardless of age, race, creed, sex or national origin.

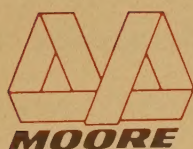
Moore is especially proud of its employees and without doubt considers its human resources as its greatest strength.





*Selected fine quality custom packaging products of
F. N. Burt Company, Inc. and Dominion Paper Box
Company Limited are displayed on the opposite page.*

MOORE CORPORATION LIMITED



*interim
report
to the
shareholders*

FOR THE SIX MONTHS ENDED
JUNE 30, 1972

MOORE CORPORATION LIMITED
and subsidiary corporations



INTERIM REPORT
TO THE SHAREHOLDERS

Business continued strong during the second quarter of the year. Sales of \$121,565,000 were 11.4% higher than those for the comparable period in 1971. For the six month period sales of \$241,447,000 registered an increase of 10.8% over the first half of 1971.

Net earnings after taxes of \$10,835,000 for the three month period ending June 30, 1972 were 16.2% higher than the \$9,322,000 reported for the same period last year. This was equivalent to 38¢ per share compared with 33¢ in 1971. For the six months, net earnings of \$21,364,000 or 75¢ per share were 16.0% above the comparable 1971 figure.

The recovery in general business experienced in the first quarter continued through the second period and the outlook for the balance of the year is encouraging.

W. H. BROWNE
Chairman

D. W. BARR
President

July 25, 1972

CONSOLIDATED STATEMENT OF EARNINGS *Expressed in United States currency in thousands of dollars*

	THREE MONTHS ENDED JUNE 30		SIX MONTHS ENDED JUNE 30	
	1972	1971	1972	1971
Sales	\$121,565	\$109,106	\$241,447	\$217,993
Cost of sales, selling and administrative expenses .	96,746	86,894	192,187	173,825
Depreciation	2,984	2,721	5,839	5,309
	99,730	89,615	198,026	179,134
Income from operations	21,835	19,491	43,421	38,859
Investment and other income	684	347	1,228	700
Earnings before income taxes	22,519	19,838	44,649	39,559
Income taxes	11,684	10,516	23,285	21,142
NET EARNINGS	\$ 10,835	\$ 9,322	\$ 21,364	\$ 18,417
Per Common share	38¢	33¢	75¢	65¢
Per dollar of sales	8.9¢	8.5¢	8.8¢	8.4¢

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS *Expressed in United States currency in thousands of dollars*

	SIX MONTHS ENDED JUNE 30	
	1972	1971
SOURCE OF FUNDS		
Net earnings	\$ 21,364	\$ 18,417
Items not requiring current outlay of funds, principally depreciation and deferred income taxes	7,780	7,297
Funds from operations	29,144	25,714
Long-term debt	7,000	—
Sale of fixed assets	180	385
Common shares issued	41	406
Other sources	146	21
	36,511	26,526
APPLICATION OF FUNDS		
Expenditure for fixed assets	6,257	11,502
Dividends	9,243	8,527
Investment in other corporations	26	315
Deferred charges	202	183
Other applications	222	604
	15,950	21,131
INCREASE IN WORKING CAPITAL	20,561	5,395
Working capital at January 1	118,517	87,460
WORKING CAPITAL AT JUNE 30	\$139,078	\$ 92,855

The above statements are unaudited and subject to year-end adjustments.

AR07

